

Members  
Senate Finance Committee  
2005-2006

Senator Casey Cagle, 49<sup>th</sup>, Chairman  
P. O. Box 7067  
Chestnut Mountain, Georgia 30502

Senator Tommie Williams, 19<sup>th</sup>, Vice-Chairman  
148 Williams Avenue  
Lyons, Georgia 30436

Senator Ronnie Chance, 16<sup>th</sup>, Secretary  
130 Regal Oak  
Tyrone, Georgia 30290

Senator Greg Goggans, 7<sup>th</sup>  
1300 Hampton Road  
Douglas, Georgia 31533

Senator Bill Heath, 31<sup>st</sup>  
2225 Cashtown Road  
Bremen, Georgia 30110-3504

Senator Eric Johnson, 1<sup>st</sup>  
128 Baymeadow Point  
Savannah, Georgia 31405

Senator Emanuel D. Jones, 10<sup>th</sup>  
P. O. Box 370244  
Decatur, Georgia 30037

Senator Chip Rogers, 21<sup>st</sup>  
P. O. Box 813  
Woodstock, Georgia 30188

Senator Terrell Starr, 44<sup>th</sup>  
2735 Edgewater Court  
Jonesboro, Georgia 30236

Senator Steve Thompson, 33<sup>rd</sup>  
1170 Longwood Drive  
Marietta, Georgia 30008

## **Senate Finance Committee**

### **2005-2006 Legislative Session**

1. The quorum of the Finance Committee shall be five (5) members.
2. The Chairman shall determine which bills and resolutions are to be considered and the order in which said measures are considered.
3. The Chairman shall have the authority to refer bills and resolutions to subcommittees for study. Such subcommittees in turn shall have the authority to make recommendations on such measures to the full Committee.
4. The Committee shall convene, recess, and adjourn upon the order of the Chairman.
5. Any member or members of the committee who disagree with the majority report of the committee shall be privileged to file a minority report if they so desire.
6. These rules may be amended upon a motion duly made and subsequently approved by two thirds of the members of the committee.
7. A bill, resolution or other matter will be considered only after presentation by its principal author or a legislator whom he designates to do so. In the event more than one member of the General Assembly has signed a measure, the principal author shall be the one whose name appears first in the list of authors.
8. Where these rules are silent on a specific issue, the Rules of the Senate, as adopted, shall govern.

Minutes  
Senate Finance Committee  
January 25, 2005

The first meeting of the Senate Finance Committee was held on Tuesday, January 25, 2005 in Room 450 of the State Capitol. Chairman Cagle called the meeting to order at 4:32 p.m. Members present included Senators Cagle, 49<sup>th</sup>, Williams, 19<sup>th</sup>, Chance, 16<sup>th</sup>, Goggans, 7<sup>th</sup>, Heath, 31<sup>st</sup>, Johnson, 1<sup>st</sup>, Jones 10<sup>th</sup>, Rogers, 21<sup>st</sup>, Starr, 44<sup>th</sup>, and Thompson, 33<sup>rd</sup>.

Chairman Cagle asked for each Senator to introduce themselves to the Committee guests, and then he introduced the Senate Staff that will be working with the Finance Committee. Those included Mary Whiting, Committee Secretary, Elizabeth Dewberry, Committee Aide, Brian Johnson, Senate Research, Chastity Woods, Senate Information, and Joe Scheuer from Legislative Counsel.

Chairman Cagle asked the Committee to review the Finance Committee Rules of Operation. He stated that a quorum will be 6 for voting purposes. He called for a vote on the Rules. Senator Johnson, 1<sup>st</sup>, moved "Do Pass", and Senator Starr, 44<sup>th</sup>, seconded. Motion carried unanimously.

Chairman Cagle asked for the guests who were attending the meeting to introduce themselves and state the company that they represent. They included lobbyists and representatives from the State Revenue Department, Fulton County, Association of County Commissioners, Roy Bowen of the Georgia Textile, Carpet, and Consumer Products Manufacturers, The City of Savannah, Georgia DOT, Georgia Department of Community Affairs, and the Georgia Municipal Association. Chairman Cagle stated that he looks forward to working with everyone and hopes to have a productive session in the Finance Committee.

Chairman Cagle reminded the Committee about the Finance Committee dinners and upcoming social events and encouraged attendance.

There being no further business, Chairman Cagle adjourned the meeting at 4:45 p.m.

Respectfully submitted,

/s/ Senator Ronnie Chance, 16<sup>th</sup>  
Secretary

/s/ Mary Whiting  
Recording Secretary

Minutes  
Senate Finance Committee  
February 8, 2005

A meeting of the Senate Finance Committee was held on Tuesday, February 8, 2005 in the Senate Mezzanine. Chairman Cagle called the meeting to order at 4:32 p.m. Members present included Senators Cagle, 49<sup>th</sup>, Chance, 16<sup>th</sup>, Heath, 31<sup>st</sup>, Johnson, 1<sup>st</sup>, Jones 10<sup>th</sup>, Rogers, 21<sup>st</sup>, and Starr, 44<sup>th</sup>.

**SR 34 (Sen. Cagle, 49<sup>th</sup>) CA: Sales Tax; educational purposes; change certain imposition requirements.**

Chairman Cagle stated to the Committee and guests that he was bringing back a bill that failed to pass during the 2004 session. This bill will provide an optional one cent sales tax for school construction and give local School Boards the option to utilize it. The three options include using 100% of the money for school construction, 75/25 for Capital outlay and maintenance, or 100% for MNO. This bill will be a rollback against property taxes. One change from the bill of 2004 will be that it will be based on the actual FTE count of student population. Senator Starr, 44<sup>th</sup>, questioned the utilization of the revenue stream to rollback property taxes.

Senator Thompson, 33<sup>rd</sup> arrived at 4:45 p.m.

Senator Jones, 10<sup>th</sup>, questioned the implication on business in regard to increasing the sales tax on large ticket items such as cars. Chairman Cagle stated that this bill will decrease property taxes over time, and there are eight school systems implementing this plan at present.

After discussion Senator Thompson, 33<sup>rd</sup>, moved "Do Pass" and Senator Johnson seconded. Motion passed.

Senator Heath, 31<sup>st</sup> voted "No".

Senator Goggans, 7<sup>th</sup> arrived at the meeting at 4:55 p.m.

There being no further business, Chairman Cagle adjourned the meeting at 4:56 p.m.

Respectfully submitted,

/s/ Senator Ronnie Chance, 16<sup>th</sup>  
Secretary

/s/ Mary Whiting  
Recording Secretary

Minutes  
Senate Finance Committee  
February 15, 2005

A meeting of the Senate Finance Committee was held on Tuesday, February 15, 2005 in Room 450 of the Capitol. Chairman Cagle, 49<sup>th</sup>, called the meeting to order at 4:32 p.m. Members present included Chairman Cagle, 49<sup>th</sup>, Williams 19<sup>th</sup>, Goggans, 7<sup>th</sup>, Heath, 31<sup>st</sup>, Jones 10<sup>th</sup>, and Thompson, 33<sup>rd</sup>.

**SB 155 (Sen. Tolleson, 20<sup>th</sup>) Motor Vehicle Franchises; recreational vehicle dealers; purpose/policies**

In the absence of Senator Tolleson, 20<sup>th</sup>, Chairman Cagle called upon Senator Whitehead, 24<sup>th</sup>, to speak to the bill. After brief discussion Senator Goggans, 7<sup>th</sup>, moved “Do Pass” and Senator Jones, 10<sup>th</sup>, seconded. Motion passed unanimously.

**HB 191 (Rep. O’Neal, 146<sup>th</sup>) Income tax; allocation and apportionment formulas; revise**

Chairman Cagle called upon Representative O’Neal to speak to the bill. He stated that this bill will phase out the three factors for taxation for corporations and phase into one factor, sales only. The current taxes are determined by three factors, and this bill will phase in the one factor over two years as a cautionary way of accomplishing this change. The one factor allocation will benefit corporations who do business across state lines. The bill will reduce taxes by billions of dollars over ten years but will produce new revenue and close loopholes such as the Delaware Corporation loophole. Rep. O’Neal stated that it is time for Georgia to pass this legislation and to be the first state in the South to do so. Senator Jones questioned the impact on multinationals and RV dealers as well as internet sales.

Chairman Cagle called upon Mr. Ted Ghiz to speak to the bill. He represents Coca Cola as a tax lawyer. He was accompanied by Matt Echols, a lobbyist for Coca Cola. Mr. Ghiz thanked the Department of Revenue for their creative initiative and stated that Coca Cola supports the bill. The bill will promote investment in the State. Speaking against the bill was Mr. Alan Essig from Georgia State University. After he completed his presentation, Senator Jones stated that Mr. Essig had thrown out doubt about the success of the plan and that perhaps a sunset should be included in the bill.

Chairman Cagle called upon Mr. Scott Roberti from General Electric to speak to the bill. He stated that General Electric supports the bill and passage as is, and that it will be terrific for producing jobs in Georgia. Also supporting the bill was Roy Bowen, Lobbyist for the Georgia Textile and Carpet Association. He thanked Chairman Cagle and Mr. Bart Graham of the Department of Revenue for the bill. He stated that the carpet industry

is the largest employer in Georgia and are penalized with the system as it is today. He stated that it is important for Georgia to be the first state in the south to pass this bill. Next to speak to the bill was Mr. Ted Lawrence from Bellsouth. He stated that more companies will do business in Georgia as a result of this legislation.

Senators Rogers and Chance arrived at the meeting.

Chairman Cagle made a closing statement regarding the bill, and Senator Thompson, 33<sup>rd</sup>, moved "Do Pass." Senator Williams, 19<sup>th</sup>, seconded. Motioned passed unanimously.

There being no further business, the Chairman closed the meeting at 5:25 p.m.

Respectfully submitted,

/s/ Senator Casey Cagle, 49<sup>th</sup>  
Chairman

/s/ Mary Whiting  
Recording Secretary

Minutes  
Senate Finance Committee  
February 22, 2005

A meeting of the Senate Finance Committee was held on Tuesday, February 22, 2005 in the Senate Mezzanine of the Capitol. Chairman Cagle, 49<sup>th</sup>, called the meeting to order at 5:05 p.m. Members present included Chairman Cagle, 49<sup>th</sup>, Williams, 19<sup>th</sup>, Chance, 16<sup>th</sup>, Johnson, 1<sup>st</sup>, Jones 10<sup>th</sup>, Rogers, 21<sup>st</sup>, and Thompson, 33<sup>rd</sup>.

**SB 50 (Sen. Hamrick, 30<sup>th</sup>) Ad Valorem Taxes; increase amount of exemption; provide referendum.**

Chairman called upon Senator Hamrick, 30<sup>th</sup>, to speak to his bill. Senator Hamrick stated that this bill would let the voters choose in the next election. He stated that the bill would increase the limit of tangible personal property, except motor vehicles, trailers, and mobile homes, exemption from ad valorem taxation from \$7,500 to \$10,000. This would go to a referendum in November, 2006.

Senator Thompson, 33<sup>rd</sup> left at the meeting at 5:12 p.m.

Chairman Cagle called upon Clint Mueller from ACCG and Gwin Copeland from GMA for questions and concerns.

Senator Heath, 31<sup>st</sup>, arrived at the meeting at 5:12 p.m.

Chairman Hamrick stated that he would appreciate consideration of the bill; however, we do have another year in the election cycle to consider this bill. Senators Williams, Rogers, and Jones asked questions regarding the cost to the state. Chairman Cagle stated that there is no reason to rush this legislation. He has spoken to Senator Hamrick regarding holding the bill until next session, and that he will hold this bill in Committee until that time.

**HB 263, (Rep. Roberts, 154<sup>th</sup>), Income tax; deduction; cost of certain classroom supplies & materials.**

Chairman Cagle called upon Representative Roberts to speak to his bill. He stated that this bill is part of the Governor's package regarding income taxes. This bill will give teachers a \$250.00 deduction for school supplies which they purchase out of pocket. Chairman asked for a motion on the bill. Senator Heath moved "Do Pass" and Senator Chance seconded. Motion passed unanimously.

**HB 293, (Rep. O'Neal, 146<sup>th</sup>), State Accounting Office; create**

Chairman called upon Representative O'Neal to speak to the bill. Representative O'Neal stated that this bill creates the State Accounting Office. This will replace the State Auditor's office. Although the name will change the employees will remain the same. The State Auditor will stay on in the same position. The cost will be approximately \$2,500,000.

Senator Williams left the meeting at 5:20 p.m.

Chairman Cagle stated that he would like a motion on the bill. Senator Rogers moved "Do Pass" and Senator Johnson seconded. Motion passed unanimously.

There being no further business, the Chairman adjourned the meeting at 5:30 p.m.

Respectfully submitted,

/s/ Senator Ronnie Chance, 16<sup>th</sup>  
Secretary

/s/ Mary Whiting  
Recording Secretary



Minutes  
Senate Finance Committee  
February 24, 2005

A meeting of the Senate Finance Committee was held on Thursday, February 24, 2005 in Room 450 of the Capitol. Chairman Cagle, 49<sup>th</sup>, called the meeting to order at 3:30 p.m. Members present included Chairman Cagle, 49<sup>th</sup>, Williams, 19<sup>th</sup>, Chance, 16<sup>th</sup>, Johnson, 1<sup>st</sup>, Jones 10<sup>th</sup>, Rogers, 21<sup>st</sup>, Heath, 31<sup>st</sup>, and Thompson, 33<sup>rd</sup>.

**SB 227 (Sen. Cagle, 49<sup>th</sup>) Ga. State Financing/Investment Commission**

Chairman Cagle, 49<sup>th</sup>, called upon Mr. Bart Graham of the Department of Revenue to speak to the bill. Mr. Graham stated that he has a Substitute being prepared at the present time. He stated that the bill will enable the cities and counties to reduce their debt service. It will allow the authorities to enter into agreements for the purpose of establishing plans to annually monitor their interest rate risk. It will allow the authorities of the local governments to enter into agreements for the purpose of managing interest rates. Their county commission will have to sign off with one year renewable trades. This will be short term debt.

Senator Chance left the meeting.

Senator Williams questioned whether this will impact the state debt. Senator Jones stated that derivatives can go upside down. Senator Thompson, 33<sup>rd</sup> stated concerns over the legislation. Chairman Cagle called upon Gwin Copeland of the Georgia Municipal Association to speak to the bill. She stated appreciation of the legislation and stated that it will help the cities in managing debt progressively. She requested a provision insuring that swaps will not be redone. She asked if an amendment is necessary, and Mr. Bart Graham stated that it was not necessary.

Senators Johnson and Starr left the meeting.

Senator Thompson, 33<sup>rd</sup> stated to the Committee that he would like to have extra time to study the bill further and requested a special called meeting of the Finance Committee. Chairman Cagle stated that the bill provides more options and brings additional safeguards. Senator Jones stated that these derivatives can go upside down and one can be burned badly from these, as he has experienced. Senator Thompson, 33<sup>rd</sup> stated that he wants to make sure the bill is ok.

Senator Goggans moved "Do Pass by Substitute" and Senator Heath seconded.

Motion passed. Senator Jones and Senator Thompson, 33<sup>rd</sup> voted "No."

There being no further business, Chairman Cagle adjourned the meeting at 4:25 p.m.  
Respectfully submitted,

/s/ Senator Ronnie Chance, 16<sup>th</sup>  
Secretary

/s/ Mary Whiting  
Recording Secretary

Minutes  
Senate Finance Committee  
March 2, 2005

A meeting of the Senate Finance Committee was held on Wednesday, March 2, 2005 in Room 450 of the Capitol. Chairman Cagle, 49<sup>th</sup>, called the meeting to order at 10:00 a.m.

Members present included Chairman Cagle, 49<sup>th</sup>, Williams, 19<sup>th</sup>, Heath 31<sup>st</sup>, Johnson, 1<sup>st</sup>, Rogers, 21<sup>st</sup>, Chance, 16<sup>th</sup>, Jones 10<sup>th</sup>, and Thompson, 33<sup>rd</sup>.

**HB 282 (Rep. Roberts, 154<sup>th</sup>) Income tax; deductions; purchases treated as expenses under federal law**

Chairman Cagle called upon Representative Roberts to speak to the bill. He stated that this bill is part of the Governor's legislative package. After brief discussion among the Committee, Senator Rogers moved "Do Pass" and Senator Heath seconded.

Motion passed unanimously.

Senator Goggans arrived at the meeting.

**HB 203 (Rep. Royal, 171<sup>st</sup>) Ad valorem tax; exempt farm equipment under lease purchase agreement**

Chairman Cagle called upon Representative Royal to speak to the bill. He stated that this legislation allows for farm equipment held under a lease purchase agreement that is used for agricultural purposes to be exempt from ad valorem property taxes. He also stated that this bill calls for a statewide referendum on this exemption to occur in November, 2006. Senator Thompson moved "Do Pass" and Senator Rogers seconded. Motion passed unanimously.

**SB 194 (Sen. Schaefer, 50<sup>th</sup>) County levies; public accommodations; tourism/conventions; 5% tax rate**

Chairman called upon Senator Schaefer to speak to the bill. He stated that the legislation amends current authorization for counties and cities to levy a 5 percent lodging tax to promote tourism, conventions, and trade shows by creating a new paragraph. These counties and cities in that county where a convention and visitor's bureau was in existence on July 1, 2005 may levy a tax of 5 percent. Chairman Cagle asked if this was for the Rabun County Convention and Visitor's Bureau, and Senator Schaefer stated that it was. He was asked if Georgia residents can be exempt, and he stated that they could not. Senator Goggans moved "Do Pass" and Senator Jones seconded. Motion passed unanimously.

**SB 250 (Sen. Weber, 40<sup>th</sup>) Georgia Education Authority Act; revise**

Chairman Cagle called upon Senator Weber to speak to his bill. Senator Weber presented a chart which shows the restructure process of the Georgia Education Authority for the purpose of issuing bonds for construction of facilities in the state colleges.

The new Foundation will use the expertise of the GSFIC to finance. It will raise the bond rating to AA and AAA. This is a component of the Commission for a new Georgia. Senator Thompson, 33<sup>rd</sup> mentioned that he was wary of the government managing construction projects. Senator Williams mentioned that Governor Miller tried to pass similar legislation, but that it was killed in the House. Senator Weber stated that the state credit rating would be better. Speaking against the bill was Bill Bowes, Vice Chancellor of the Board of Regents, Linda Daniels, Facilities Vice Chancellor of the Board of Regents, and Tom Daniel, University System. Bill Bowes stated concerns over the legislation. Senator Jones mentioned concern over the bill and stated that it would tie the hands of the Board of Regents and abolish private funds. Senator Williams asked who makes the decisions on bond underwriting, and Bill Bowes stated that it was through the foundations. Senator Williams stated that he sees problems with no oversight and pricing in determining the bond underwriter. Senator Williams stated that foundation board members use their friends for funding. Chairman Cagle stated that there is no Capital project oversight. Senator Williams stated that the state bond rating is at the hands of the foundations and that the foundations are making the decisions regarding campus projects.

Chairman Cagle stated that after this lengthy discussion he is not going to take action on the bill today. He asked Senator Weber to get together with the Board of Regents to discuss the bill and work out compromises, and then the Finance Committee will meet tomorrow afternoon to hear the bill again.

There being no further business, Chairman Cagle adjourned the meeting at 11:20 a.m.

Respectfully submitted,

/s/ Senator Ronnie Chance, 16<sup>th</sup>  
Secretary

/s/ Mary Whiting  
Recording Secretary

Minutes  
Senate Finance Committee  
March 3, 2005

A meeting of the Senate Finance Committee was held on Thursday, March 3, 2005 in Room 450 of the Capitol. Chairman Cagle, 49<sup>th</sup>, called the meeting to order at 5:20 p.m. Members present included Chairman Cagle, 49<sup>th</sup>, Williams, 19<sup>th</sup>, Starr, 44<sup>th</sup>, Heath 31<sup>st</sup>, Chance, 16<sup>th</sup>, Jones 10<sup>th</sup>, Rogers, 21<sup>st</sup>, Thompson, 33<sup>rd</sup>, and Goggans, 7<sup>th</sup>.

**SB 291 (Sen. Heath, 31<sup>st</sup>) Ad valorem taxation; tangible personal property located on airport; provisions**

Chairman Cagle called upon Senator Heath, 31<sup>st</sup> to speak to his bill. He stated that this legislation relates to ad valorem taxation of real and tangible personal property located on airports, and on airports which may be within two jurisdictions. This bill authorizes that if the airport is governed by an authority and that authority has a multi-county jurisdiction, then the real and tangible personal property may be taxed by each county in that jurisdiction.

Senators Starr moved "Do Pass," and Senator Thompson seconded. Motion passed unanimously.

**HB 22 (Rep. Hill, 21<sup>st</sup>) Sales tax; certain motor vehicles; change tax situs**

Chairman Cagle called upon Representative Hill, 21<sup>st</sup>, to speak to the bill. He stated that this is a simple bill, simplifying the tax and sale of automobiles. Sales tax will be assessed according to the county of the purchaser's or lessee's vehicle registration. Senators Jones and Thompson, 33<sup>rd</sup> asked questions of Representative Hill.

Senator Rogers, 21<sup>st</sup>, arrived at the meeting at 5:35 p.m.

Chairman called upon Mr. Virgil Moon of Cobb County to speak to the bill. He stated that Cobb County is opposed to the bill, as funds will be lost to their educational program. Chairman asked Mr. Bobby Lenihan from the Department of Revenue to speak to the bill. Several members of the Finance Committee asked questions of Mr. Lenihan including Senators Thompson, Jones, and Rogers.

Chairman Cagle called upon Bill Morrie of the Georgia Automobile Association to speak to the bill. He stated that their organization favors the bill, and he also stated that there are 40 counties in Georgia that do not have a car dealer.

Senator Heath moved "Do Pass" and Senator Williams seconded. Motion passed unanimously.

**HB 384 (Rep. O'Neal, 146<sup>th</sup>) Motor fuel tax, additional exemption; limited time period; provisions**

In the absence of Representative O'Neal, Chairman called upon Representative Roger Williams, 4<sup>th</sup>, to speak to the bill. He stated that the bill exempts motor fuel tax for 3 years for public mass transit busses that are owned by the state or local government. He stated that it has the backing of the Governor, and there was no objection from Bobby Lenihan of the Department of Revenue. Chairman Cagle commented that GRTA, the Georgia Regional Transportation Authority, had been involved in this legislation. Senator Rogers moved "Do Pass" and Senator Goggans seconded. Motion passed unanimously.

Senator Starr left the meeting.

**HB 293 (Rep. O'Neal, 146<sup>th</sup>) State Accounting Office; create**

Chairman Cagle announced to the Committee that HB 293 was passed out of the Finance Committee last week and had to be called back from the Rules Committee. There was a Substitute that the Committee was not aware of which corrected a few errors in the original bill, and it is presented today by Chairman Cagle. There were no questions, and Senator Rogers moved "Do Pass by Substitute" and Senator Williams seconded. Motion passed unanimously.

**SB 250 (Sen. Weber 40<sup>th</sup>) Georgia Education Authority Act; revise**

Chairman Cagle called upon Senator Weber to speak to the bill. This bill was brought out in the Finance Committee yesterday, March 2, 2005 and Chairman Cagle held the bill in Committee until today for further discussion. Senator Weber stated to the Committee that he had met last night with representatives of the Board of Regents in an attempt to come to an agreement with them regarding the bill. They had agreed on three suggested amendments to the bill. After Senator Weber's presentation, Chairman called upon Tom Daniel of the Board of Regents. Mr. Daniel stated that the Board of Regents cannot support the bill.

Chairman Cagle left the meeting to attend another Committee meeting.

Senator Williams, Finance Vice Chairman, took over the meeting and asked Mr. Daniel to continue his statement. Mr. Daniel stated that there is a philosophical difference. He stated that the bill reactivates GEAU, and he wants to keep three avenues of financing open. He stated that there is no cap in the bill and no oversight. Senator Thompson, 33<sup>rd</sup> questioned Mr. Daniel and stated concern over the bill. Senator Jones also stated concerns over the legislation. He stated that the partnership is working well and wondered why a government authority should take over.

Chairman Cagle returned to the meeting.

Chairman Cagle stated that this plan will be a savings of money and give oversight to the financing. Senator Jones stated that GEAU did a better job. Senator Weber stated that a government official should have oversight. Senator Thompson, 33<sup>rd</sup> stated that we should look at the reputation of the Board of Regents. He stated that the Board of Regents will only have one member on the five member Board.

Chairman Cagle stated that it is late in the session and that this is the last day a bill can move to the House. Time will not permit a better job of communication, and that he has agreed to let the bill out.

Senator Williams moved "Do Pass by Substitute," and Senator Rogers seconded. Motion passed.

Senator Jones and Senator Thompson voted "No."

Senator Weber stated that he pledges to work with the Board of Regents in this legislation.

There being no further business, Chairman Cagle adjourned the meeting at 6:15 p.m.

Respectfully submitted,

/s/ Senator Ronnie Chance, 16<sup>th</sup>  
Secretary

/s/ Mary Whiting  
Recording Secretary

Minutes  
Senate Finance Committee  
March 15, 2005

A meeting of the Senate Finance Committee was held on Tuesday, March 15, 2005 in Room 450 of the Capitol. Chairman Cagle, 49<sup>th</sup>, called the meeting to order at 4:32 p.m. Members present included Chairman Cagle, 49<sup>th</sup>, Williams, 19<sup>th</sup>, Chance, 16<sup>th</sup>, Johnson, 1<sup>st</sup>, Jones, 10<sup>th</sup>, Rogers, 21<sup>st</sup>, Goggans, 7<sup>th</sup>, Heath, 31<sup>st</sup>, and Thompson, 33<sup>rd</sup>.

**HB 116 (Rep. O'Neal, 146<sup>th</sup>) Ad valorem tax of property; change definitions**

Chairman Cagle called upon Representative O'Neal to speak to the bill. He stated that there is no cap on the millage rate freeze at the 2004 levels. There will be a new tax district after 2004. He stated that the substitute being offered simply cleans up some language in the bill. Senator Rogers moved "Do Pass by Substitute," and Senator Chance seconded. Motion passed unanimously.

**HB 488 (Rep. O'Neal, 146<sup>th</sup>) Sales and Local Tax Revision Act of 2005; amend**

Chairman Cagle called upon Representative O'Neal to speak to the bill. He stated that the bill closes gaping loopholes and is a technical cleanup. Chairman called upon Bart Graham to speak to the legislation. He stated that it is good and sound legislation which is beneficial to Georgia. Senator Rogers commended the legislation and stated that it helps consumers. Senator Rogers moved "Do Pass" and Senator Jones seconded. Motion passed unanimously.

**HB 487 (Rep. Roberts, 154<sup>th</sup>) Sales tax exemption; electricity sales for crop irrigation; amend**

Chairman Cagle called upon Representative Roberts to speak to the bill. He stated that the legislation provides an exemption on the sale of electricity and other fuel for farms for exclusive use on irrigation systems, and it exempts from sales tax the sales of tangible property to child-caring institutions and child-placing agencies that are non-profit organizations. He stated that the substitute provides cleanup language. Senator Thompson moved "Do Pass by Substitute," and Senator Heath seconded. Motion passed unanimously.

**HB 389 (Rep. Roberts, 154<sup>th</sup>) Income tax credits; certain businesses; less developed areas**

Chairman Cagle called upon Representative Roberts to speak to the bill. He stated that the bill provides \$500 per job tax credit for counties designated as less developed areas for certain business enterprises. The bill provides a tier system depending on the number



of employees in the business. Senator Thompson, 33<sup>rd</sup> stated that this is one of the best programs and provides a one time tax credit equal to \$500 per new employee. The fiscal note is attached which indicates that for five years the revenue loss is \$21.2 million. Senator Williams moved "Do Pass," and Senator Johnson seconded. Motion passed unanimously.

**HB 211 (Rep. Heard, 104<sup>th</sup>) Ad valorem tax; aircraft held in inventory; exclude**

Chairman Cagle called upon Representative Heard to speak to the bill. He stated that the bill exempts from ad valorem tax all aircraft that are held in inventory. There is a fiscal note which states that the revenue loss by the state is under \$20,000, and the revenue loss by local governments is to be approximately \$2,000,000 for FY 2007 and FY 2008. The tax reduction will begin January 1, 2006. There was some discussion among the Committee members regarding a possible sunset. Senator Rogers motioned "Do Pass," and Senator Chance seconded. Motion passed unanimously.

**HB 306 (Rep. Rice, 51<sup>st</sup>) Sales tax; certain tangible property used by contractors; amend provisions**

In the absence of Representative Rice, Chairman Cagle called upon Mr. Mark Woodall of the Association of General Contractors to speak to the bill. He stated that this bill brings clarity to an existing law which is confusing. At present the state government can purchase tax exempt items for kitchens for schools, but the contractor who installs the equipment is liable under tax use. Chairman Cagle stated that the bill will protect contractors. Senator Johnson suggested amending the bill to read "Advanced written notice" on line 20 and 21. After discussion among the Committee, Senator Thompson moved "Do Pass as amended," and Senator Williams seconded. Motion passed unanimously.

**HB 406 (Rep. Willard, 49<sup>th</sup>) Trusts; allocation of principal & income; amend provisions**

Chairman Cagle called upon Representative Willard to speak to his legislation. The legislation addresses the trend to allow Trustees of Corporations to use the Principal of the Trust. The legislation was approved by the Board of Governors. He stated that the Georgia Bankers had signed off on the legislation and no one is against the bill. After brief discussion, Senator Johnson moved "Do Pass," and Senator Thompson seconded. Motion passed unanimously.

**HB 312 (Rep. Freeman, 140<sup>th</sup>) State departments; revisions and transfer of powers and duties**

Chairman Cagle called upon Representative Freeman to speak to the legislation. He introduced Lonice Barrett of the "New Georgia Commission" who attended the meeting with him. Representative Freeman stated that the legislation is procedural involving the purchasing of technology and equipment for the state, and it removes certain powers from the Department of Administrative Services. The purchase of the fleet of cars owned by the state will be transferred from DOAS to the Office of Planning and Budget. At present there are 2,000 surplus vehicles owned by the state. The bill helps consolidate procurement. The legislation is part of the Governor's Commission for a New Georgia, and \$135,000,000 will be saved. There is no opposition to the bill known. Commissioner Russell of the Department of Administrative Services came to the meeting and spoke regarding an amendment to the bill which is on page 25, lines 23 through 25. This Amendment exempts services ancillary to the construction and maintenance of a public road. Senator Thompson moved "Do Pass as Amended," and Senator Goggans seconded. Motion passed unanimously.

**HB 341 (Rep. Burkhalter, 50<sup>th</sup>) Sales tax; exempt certain airline industry transactions**

In the absence of Representative Burkhalter, Chairman called upon Senator Balfour, 9<sup>th</sup>, to speak to the legislation. He stated that the legislation helps a company that has done a lot for Georgia, and the bill will cap sales and use on jet fuel. It will have a 2007 sunset. Many states are doing this, and Delta is a great corporation. Chairman Cagle asked for Bobby Lenihan from the Department of Revenue to speak to the legislation. He stated that he has a few issues that he would like to address. Chairman Cagle stated that because of the absence of Senator Starr, he would hold the bill for further study and consideration until the next meeting of the Senate Finance Committee.

There being no further business, Chairman Cagle adjourned the meeting at 5:45 p.m.

Respectfully submitted,

/s/ Senator Ronnie Chance, 16<sup>th</sup>  
Secretary

/s/ Mary Whiting  
Recording Secretary

Minutes  
Senate Finance Committee  
March 17, 2005

A meeting of the Senate Finance Committee was held on Thursday, March 17, 2005 in Room 450 of the Capitol. Chairman Cagle, 49<sup>th</sup>, called the meeting to order at 2:30 p.m. Members present included Chairman Cagle, 49<sup>th</sup>, Williams, 19<sup>th</sup>, Chance, 16<sup>th</sup>, Rogers, 21<sup>st</sup>, Starr, 44<sup>th</sup>, and Thompson, 33<sup>rd</sup>.

**HB 5 (Rep. Borders, 175<sup>th</sup>) Sales tax exemption; school supplies, clothing, computer items; limited time**

Chairman Cagle called upon Representative Borders to speak to the bill. He stated that this legislation is the sales tax holiday and has a fiscal note of 10.38 million dollars. The holiday will begin on July 28, 2005 and conclude at midnight on July 31, 2005. It will exempt from sales tax certain school supplies, clothing, footwear, computers, and computer related accessories. Senator Williams moved "Do Pass," and Senator Starr seconded. Motion passed unanimously.

**HB 505 (Rep. Royal 171<sup>st</sup>) Hotel-motel tax; review board; amend certain provisions**

Chairman Cagle called upon Representative Royal to speak to the bill. He stated that the bill requires that any reports by the state auditor of noncompliance by a county or city must furnish all the documents to the Department of Community Affairs rather than the Department of Revenue. The bill will also allow each member of the Hotel Motel Tax Performance Review Board to receive the same per diem and reimbursement as allowed for members of the General Assembly. After limited discussion Senator Williams moved "Do Pass," and Senator Thompson seconded. Motion passed unanimously.

**HB 81 (Rep. Day, 163<sup>rd</sup>) Homestead exemption; unremarried surviving spouse of deceased spouse**

Chairman Cagle stated to the Committee and guests that Representative Day has respectfully requested that the bill be held in the Finance Committee at this time.

**HB 173 (Rep. Lunsford, 110<sup>th</sup>) Ad valorem tax; veterans organizations; exemption**

Chairman Cagle stated to the Committee and guests that Representative Lunsford has requested that his bill be held in the Finance Committee until a later time.

**HB 431 (Rep. Talton, 145th) Unclaimed property; certain dividends or credits; disposition**

Chairman Cagle called upon Representative Talton to speak to the bill. He stated that the bill allows EMC's to be able to dispose of abandoned dividends or capital credits by donating them to non-profit organizations or any 503(c)(3) or use them for education or economic development purposes within the corporation's service area. Senator Thompson, 33<sup>rd</sup> asked the Committee whether there will be an audit or have standards. Chairman Cagle asked Bobby Lenihan of the Department of Revenue if they will do an audit, and Mr. Lenihan stated that they would. After brief discussion, Senator Thompson moved "Do Pass," and Senator Starr seconded. Motion passed unanimously.

**HB 341 (Rep. Burkhalter, 50<sup>th</sup>) Sales tax; exempt certain airline industry transactions**

In the absence of Representative Burkhalter, Chairman called upon Mr. Harold Bevis, lobbyist for Delta Air Lines, to speak to the bill. He stated that the legislation relates to sales and use tax as levied on jet fuel purchases in the state. A qualified airline would be eligible for an exemption from sales and use tax, including local tax, after the airline submits its first \$15 million in tax payments to all taxing entities. One minor change in Section 4 line 17 was made regarding food and beverages. Alcoholic beverages will be taken off of the exemption. Senator Starr stated that he represents Clayton County and that he cannot support the bill, because it takes money out of the pocket of Clayton County. Senator Thompson moved "Do Pass by Substitute," and Senator Chance seconded. Motion passed. Senator Starr voted No.

**HB 538 (Rep. O'Neal, 146<sup>th</sup>) Income tax; military income exclusion; amend provisions**

Chairman called upon Bobby Lenihan of the Department of Revenue to speak to the bill. He stated that the bill exempts license fees for members of the National Guard or reserve of the armed forces of the United States. Senator Thompson moved "Do Pass," and Senator Starr seconded. Motion passed unanimously.

**HB 559 (Rep. Smith, 70<sup>th</sup>) Sales tax exemption; certain energy efficient products; limited time period**

Chairman Cagle called upon Representative Smith to speak to the legislation. He stated that the bill creates a sales tax holiday for energy efficient products designated as "Energy Star." The holiday will be from October 6, 2005 through October 9, 2005. Chairman Cagle stated that Home Depot has brought this bill to encourage the purchase of Energy Star Products. Senator Starr moved "Do Pass by Substitute," and Senator Chance seconded. Motion passed unanimously.

**HB 556 (Rep. Burkhalter, 50<sup>th</sup>) Georgia Public Revenue Code; repeal certain statutes & provisions**

In the absence of Representative Burkhalter, Chairman Cagle called upon Bobby Lenihan of the Department of Revenue to speak to the bill. Mr. Lenihan stated that this bill simply repeals obsolete statutes relating to taxation and revenue in four code sections. Senator Starr moved "Do Pass," and Senator Rogers seconded. Motion passed unanimously.

**HB 558 (Rep. Burkhalter, 50<sup>th</sup>) Alcoholic beverages; counterfeiting, forging, or reuse of tax stamps; repeal provisions**

In the absence of Representative Burkhalter Chairman Cagle called upon Bobby Lenihan of the Department of Revenue to speak to the bill. He stated that this is an obsolete statute that needs to be repealed relating to reuse, counterfeiting, or forging of tax stamps. Senator Chance moved "Do Pass," and Senator Rogers seconded. Motion passed unanimously.

There being no further business, Chairman Cagle adjourned the meeting at 3:10 p.m.

Respectfully submitted,

/s/ Senator Ronnie Chance, 16<sup>th</sup>  
Secretary

/s/ Mary Whiting  
Recording Secretary

Minutes  
Senate Finance Committee  
March 22, 2005

A meeting of the Senate Finance Committee was held on Tuesday, March 22, 2005 in Room 450 of the Capitol. Chairman Cagle, 49<sup>th</sup>, called the meeting to order at 4:30 p.m. Members present included Chairman Cagle, 49<sup>th</sup>, Heath 31<sup>st</sup>, Goggans, 7<sup>th</sup>, Johnson, 1<sup>st</sup>, Rogers, 21<sup>st</sup>, Chance, 16<sup>th</sup>, Jones 10<sup>th</sup>, and Thompson, 33<sup>rd</sup>.

**HB 488 (Rep. O'Neal, 146<sup>th</sup>) State and Local Tax Revision Act of 2005; enact**

Chairman Cagle called upon Representative O'Neal to speak to the bill. He stated that the legislation is in regard to the proposed changes to the existing Georgia State tax code. Senator Johnson moved "Do Pass by Substitute" and Senator Goggans seconded. Motion passed unanimously.

**SR 302 (Sen. Shafer, 48<sup>th</sup>) Tax Relief Legislation; urge Congress to abolish death tax permanently**

In the absence of Senator Shafer, 48<sup>th</sup>, Chairman Cagle spoke to the bill. There was no discussion, and Senator Goggans moved "Do Pass," and Senator Chance seconded. Motion passed unanimously.

**HR 113 (Rep. Forster, 3<sup>rd</sup>) U. S. Senators from Georgia; support repeal of excise tax on telecommunications**

In the absence of Representative Forster, Chairman Cagle spoke to the bill. There was no discussion, and Senator Chance moved "Do Pass," and Senator Jones seconded. Motion passed unanimously.

**HB 194 (Rep. Martin, 47<sup>th</sup>) Income tax credit; teleworking for limited period of time**

Chairman Cagle called upon Representative Martin to speak to the bill. He stated that the bill will encourage teleworking. A fiscal note is provided, and the bill passed the House Ways and Means Committee without negative votes. Representative Martin stated that the bill is family friendly and benefits the state, because the cars will be off the highway. Speaking in support of the bill were Michael DuJacques and Brandon Reece. Carlotta Franklin also stated that she supports the bill. Representative Martin stated that he was open to changing the period to two years rather than three, so that the sunset will be 2007 rather than 2008. There was no further discussion, and Senator Heath moved "Do Pass by substitute" and Senator Goggans seconded. Motion passed unanimously.

**HB 173 (Rep. Lunsford, 110<sup>th</sup>) Ad Valorem tax; veterans organizations; exemption**

In the absence of Representative Lunsford, Chairman called upon Clint Mueller of the Association of County Commissioners to speak to the bill. He stated that this legislation only pertains to Veteran's organizations and non profits under 50-13. Since the legislation provides for a referendum, he stated that Representative Lunsford requests that the bill be held until the 2006 Session. Chairman Cagle stated that he would hold the bill in Committee until the 2006 Session of the General Assembly.

There being no further business, Chairman Cagle adjourned the meeting at 5:00 p. m.

Respectfully submitted,

/s/ Senator Ronnie Chance, 16<sup>th</sup>  
Secretary

/s/ Mary Whiting  
Recording Secretary

Minutes  
Senate Finance Committee  
March 24, 2005

A meeting of the Senate Finance Committee was held on Thursday, March 3, 2005 in Room 450 of the Capitol. Chairman Cagle, 49<sup>th</sup>, called the meeting to order at 2:30 p.m. Members present included Chairman Cagle, 49<sup>th</sup>, Williams, 19<sup>th</sup>, Heath 31<sup>st</sup>, Chance, 16<sup>th</sup>, Rogers, 21<sup>st</sup>, and Goggans, 7<sup>th</sup>.

**HB 559 (Rep. Smith, 70<sup>th</sup>) Sales tax exemption; certain energy efficient products; limited time period**

Chairman Cagle called the meeting to order at 2:35 p.m. He stated that the bill was recommitted to the Finance Committee from the Senate Rules Committee because there was an error in the bill. The legislation is brought by Home Depot to give a state sales tax holiday on "Energy Star" products for a limited period. The local governments will still be able to collect their local tax, and there will only be a break on state sales tax. After limited discussion among the Committee, Senator Heath moved "Do Pass by Substitute," and Senator Chance seconded. Motion passed unanimously.

There being no further business, Chairman Cagle adjourned the Committee meeting at 2:50 p.m.

Respectfully submitted,

/s/ Senator Ronnie Chance, 16<sup>th</sup>  
Secretary

/s/ Mary Whiting  
Recording Secretary